



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
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Press Release

FOR IMMEDIATE RELEASE

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Kanawha County Court Orders 10 Internet Payday Lenders to Comply with Attorney General's Subpoena

The Circuit Court of Kanawha County recently granted Attorney General Darrell McGraw's petition to enforce investigative subpoenas against 10 Internet payday lenders. The lenders were ordered to produce the subpoenaed documents and were enjoined from making or collecting payday loans in West Virginia until further order of the court. "Payday loans" are short term loans or cash advances, typically for 14 days, that are secured by a post-dated check or, in the case of Internet loans, secured by the consumer's consent to an electronic debit for the full amount owed from a personal checking account.

McGraw's Consumer Protection Division opened an investigation in 2005 after learning that numerous companies were sidestepping West Virginia usury laws by providing loans for consumers over the Internet. In some instances, consumers who complained to McGraw's office were charged annual percentage rates ranging from 600 to 800%, more than 44 times greater than the maximum allowable rate, 18% APR, for similar consumer loans in West Virginia.

Since the investigation began, McGraw's office has concluded settlement agreements with at least 17 Internet payday lenders. Most recently, the Attorney General entered into settlements with Magnum Cash Advance, Inc. of Wilmington, Delaware, Apple Fast Cash Personal Loans of Wilmington, Delaware, and Payday OK d/b/a Payday Select of New Castle, Delaware. Collectively, these settlements netted \$225,000 in refunds and cancelled debts for 1,654 West Virginia consumers.

The companies that were ordered by the court to comply with McGraw's investigative subpoena and to stop making or collecting Internet payday loans in West Virginia include the following:

Ambassador Financial Services d/b/a Nationwide Cash of Esponola, Minnesota
American Interweb Marketing d/b/a CASHrebateonline.com of Carson City, Nevada
Americash Hotline LLC d/b/a Direct Cash Express of Wilmington, Delaware
Cash Advance, Inc. of Carson City, Nevada
Cash Advance USA of Miami, Florida
Cash Net of Salt Lake City, Utah
GECC d/b/a Cashdirectnow.com of Rapid City, South Dakota
Internet Cash Advance Marketing, Inc., d/b/a Cash Back Values of Carson City Nevada
QuikPayday.com Financial Solutions of Logan, Utah
USA Cash Center of Rapid City, South Dakota

Attorney General McGraw stated, "I commend the 17 companies that have cooperated with our office and agreed to refund fees

and to stop making Internet payday loans in West Virginia. As for the others, my office will continue to take whatever legal measures are necessary against them until all unlawful Internet payday lending in West Virginia has been halted."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at www.wvago.gov.

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